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ACI - Mi August 29, 1946

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ADVISOR CONNITTER ON INTELLIGENCE

Fourth Meeting August 29, 1946 4:30 - 5:30 p.m.

Linutes

resent: Mesors. Eddy, SA-K (Chairman)
Braden, A-Br
Russell, A-R
Rickerson, A-D (Representing Fr. Lunn)
Lyon, CCF (Chairman)
Kwans, CCL (Executive Secretary)

1. Substitution of CIG for FBI Personnel in Oil.

The Chairman reported on the present situation in this matter (see Item 2, kinutes, ACI - K3, August 6). Personnel have actually been withdrawn from Fanama and the Dominican hepoblic. The former station, however, was based on a special arrangement with G-2 and exceptional; C.O will give special priority to placing its own personnel in the Dominican Republic. Assurances have been received that no further withdrawels will occur pending arrangements for replacement.

2. CIO Proposal.

Fir. Lyon opened the discussion of a letter from the lirector of Central Intelligence to the Acting Secretary, dated Augest 22, 1546. He first considered the Acting Secretary's question concerning paragraph 2-5 of the letter; hr. Lyon had been informed by C'G that this paragraph meant that all payments by the State department would be religioused by Cli. It was a procedure which had been followed during the war with regard to other agencies, and CHO expected to follow this procedure by maintaining a fund as a form of advance payment against expenditures of the State department on its behalf. Prrangements already existed for headling these funds with utnot mecanity and with the knowledge of a minimum of personnel. Er. accorded expenditure that the text of the biroctor's latter should be manded to make quite clear the financial relationship. The Cognities agreed that an appropriate change should be made in the letter before the proposal was finally accepted.



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Mr. Lyon reported that the foreign Service had agreed that the proposals could be worked out in tractice, with the reservation that caution must be observed to prevent oversianing of Missions and consequent complaints from oreign offices. The list of positions actually proposed comprised 53 attachés, là assistant attachés, and 75 wine consuls. As protection to the bepartment, the proposals provided that all personnel should be accepted by the geographical dosks, trained in the usual Foreign Service training courses, and whenever possible apprenticed for a short pariod to the appropriate geographical desks. In this way the impartment would be assured of personnel acceptable to its missions and sufficiently acquainted with the foreign Service background. hr. mreden inquired whether scooptance by geographical desks implied agreement upon the designation to be granted each individual. Er. Lyon indicated that this matter would certainly be within the discretion of the geographical desks. The Committee agreed upon the need for clear understanding that in acceptang personnel on behalf of CIG, the Department should in each case determine the designation appropriate to the individual and to the location for which he was intended.

Mr. Hickerson said that he approved the proposal; he felt, however, that one condition of acceptance should be an agreement with military and navel authorities upon the allocation of responsibility for reporting as between field representatives of tate, or and havy. Unquestionably the State Department should be responsible for all political, economic, financial and press reporting. Yet he had observed in the most recent manual of instructions for military attaches a directive to report on economic and political matters. Such instructions had to duplication, waste, inexpert reporting, and contradictions.

In regard to the CIO proposals are sussell requested configuration that, as indicated in program jet or the literator's letter, the parasonal concerned would up no positive intelligence work unless specifically so authorized by the chief of mission. In lyon insteated that this was a definite part of the understanding set are addy, cluted by authorized that the work of the uld group was defined by method return them by subject setter. In branch arged, however, that delimination or responsibility for reporting in the field was an evenell matter which required settlement. He and has likely was not evenell matter which required settlement. He and has dischedual both had field experience of the danger inherent in the present unclarified situation and of the profit which council upon proper integration whereby representatives of State and the Service Reportamints exchanged with each other intermediation appropriate to their respective spheres of interest.



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Wr. Amssell suggested that the present moment was the time for a general agreement upon allocation of responsibility, and that a group be formed within the expertment to prepare proposals for presentation to CIG. Br. evens reported that CIG had under consideration the forming of a working group to investigate suitable division of labor among field reporters. The Committee agreed that a Reportmental group should be formed to prepare proposals leading to sharper division of responsibility amongst field reporters, and that it should comprise a representative of CA-E as Chairman, Dr. Lyon, and a nomines of kr. Braden to represent the geographic and scanomic offices. Wr. Eddy indicated that he would appoint Kr. O. R. Fearing, Director of CCO, as Chairman of the Cosmittee. Kr. oraden subsequently nominated Kr. Kilis D. Briggs as his representative.

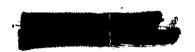
hr. Hussell indicated that he approved of the letter in general with modifications already discussed, but he assumed that the list of locations and designations were still subject to modification by agreement. Mr. Lyon said that although in some few cases personnel were already at work in the field, the list in general was, as desired, subject to modification.

ACTION: The Committee approved the letter of the Sirector of Central Intelligence in principle, subject to the following considerations:

- A. Thragraph 2-b should be modified to make clear the financial responsibility of CIG.
 - B. The text in 1-a should be modified to indicate definitely that the impartment must clear, in each case, the designation as well as the intended location of each exadicate.
 - C. The attached list of locations and designations should be regarded as a tentative proposal for modification by agreement between the separtment and CiG.
 - D. The proposal should not go into force before explicit agreerent had been resched between the repartment and the other bervices /#gencism/ on the allocation of responsibility for rivid reporting-

3. Next Beating.

The Chairman suggested that the next meeting should take place not on September 3 but on September 10, and the Consittée agreed. He announced that the items of business would be:





- (a) The constitution of a field force for positive intelli-
- (b) The need for special security measures in the intelligence organization as distinct from the department as a whole.

VERIFIED:

Executive : scretary

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